



CALIFORNIA Economic Indicators

May-June 2011

The Recovery Cools Off

After a good beginning to 2011, economic growth wavers.

■ REVIEW OF RECENT ECONOMIC DEVELOPMENTS

After getting off to a promising start, the latest economic readings for 2011 were more mixed, yet, the overall picture was still positive. The unemployment rate improved steadily through April even though job growth faltered. New home construction in March and April, while still slow, was up from a year earlier. As has long been the case, a strong rebound in real estate is still the missing piece of a solid recovery.

EMPLOYMENT

Job growth slowed in March and April

After a setback in March—losing 15,000 jobs—California made a modest [gain of 8,900 nonfarm jobs in April 2011](#).

Six major industry sectors added jobs in April, while five sectors lost jobs. Leisure and hospitality added 12,400 jobs; trade, transportation, and utilities, 7,800; educational and health services, 5,600; manufacturing, 3,800; other services, 1,600; and mining and logging, 200. The largest loss was in government where employment fell 11,200. This loss, though, may have been inflated due to faulty federal employment reporting. If so, a revision might be made in June. Elsewhere, professional and business services lost 5,500 jobs; construction, 2,900; financial activities, 1,600; and information, 1,300.

California gained 144,200 nonfarm jobs (1.0 percent) from April 2010 to April 2011.

Eight of the state's major industry sectors gained jobs over the year and three lost jobs. Employment rose 58,800 in professional and business services; 46,300 in educational and health services; 33,500 in leisure and hospitality; 31,600 in trade, transportation, and utilities; 29,200 in information; 8,600 in manufacturing; 1,400 in construction; and 800 in mining and logging. Over the year, employment fell by 59,200 in government; 4,600 in financial activities; and 2,200 in other services.

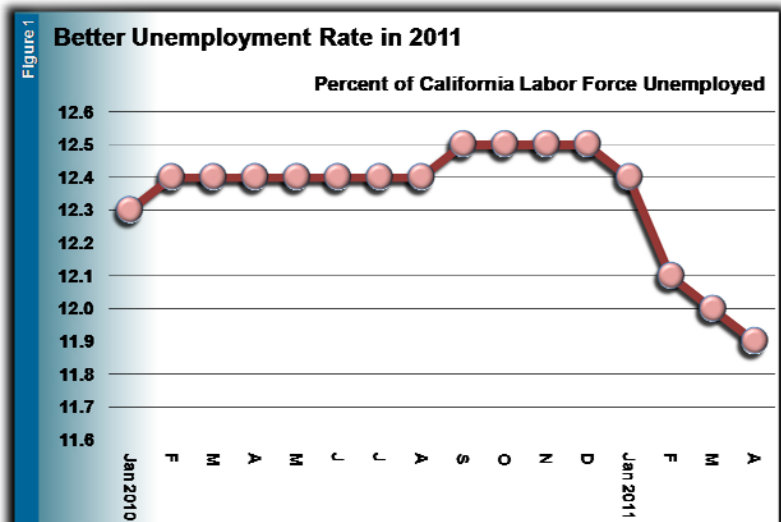
Total nonfarm employment in California was still down 1,135,800 from the beginning of the national recession in December 2007.

Unemployment rate improves, but is still unsatisfactory

The state's unemployment rate fell to 11.9 percent in April, which was the first time the rate dipped below 12 percent since August 2009. The rate stood at 12.5 percent at the end of 2010. Unfortunately, this improvement is mainly attributable to erosion of the labor force rather than substantial household employment growth. California's labor force participation rate declined 1.1 percent over the year ending in April 2011 and dropped 0.4 percent during the first four months of 2011 alone.

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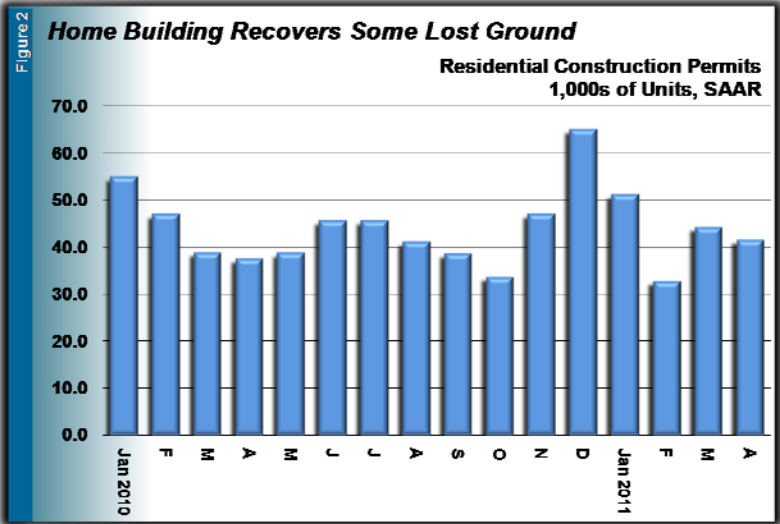
The state's unemployment rate improved since the end of 2010, but is still high and is not the result of robust job

BUILDING ACTIVITY

Residential construction recovers somewhat after a slow start to 2011

Home building activity followed a see-saw pattern during the early months of 2011 after accelerating dramatically at the end 2010 in anticipation of new building codes. As expected, the atypical burst of activity was followed by an unseasonal drop in January and February 2011. Permitting recovered modestly thereafter. The pace of residential permitting in March and April 2011 (43,000 units) was up over 12 percent from the same months of 2010.

Nonresidential construction also improved modestly during the early months of 2011. For the first four months of 2011 as a whole, nonresidential permitting was up 8.6 percent from the same months of 2010, led by strong gains in industrial construction and alterations and additions.



Following a year-end surge to head off new regulations, homebuilding slumped in January and February but rebounded in March and April.

REAL ESTATE

Uneasy stability for home sales

Existing home sales were also turbulent during the early months of 2011, displaying alternating monthly gains and losses. Nevertheless, homebuying activity fluctuated within a relatively narrow range during the first four months of 2011. Sales of existing, single-family detached homes totaled 499,800 units at a seasonally adjusted annualized rate in April—a 5-percent improvement from a year earlier, which was the strongest year-over-year gain since August 2009. The median price of existing, single-family homes sold in April was \$293,600, down 4.4 percent from a year earlier. For the first four months of 2011 on average, unit sales are up 1.3 percent and the median price is down 3.4 percent from the same months of 2010.

The unsold inventory index inched up to 5.4 months in April. Conversely, the median number of days needed to sell a home improved by falling to 53 days, from 56.7 days in March. (Source: [California Association of Realtors](#))

■ ECONOMIC FORECAST UPDATE

The following is from the May Revision of the Governor's 2011-12 Budget. The forecasts were prepared in April 2011 and are based on information available at that time.

The national and California economies continued to recover.

After ending 2010 with some momentum, positive economic signs continued during the early months of 2011. Labor market conditions improved, based on accelerating job growth, declining jobless claims, and a declining—although still high—unemployment rate. Industrial output rose, including growth in manufacturing. Exports posted a solid year-over-year gain during the first quarter of the year.

However, weak housing markets, depressed construction activity, and public sector fiscal problems continued to dampen economic growth. Two major international developments—unrest in oil producing nations and the Tohoku Pacific earthquake and tsunami that struck Japan—resulted in more uncertainty for the outlook. On balance, the short-term forecast improved somewhat, but gained some new downside risks. The strength of the recovery and out-year forecast remains uncertain.

THE NATION

Economic forecasts improved following the announcement of new economic stimulus measures at the end of 2010. The Governor's Budget forecast reflected the Federal Reserve's purchase of \$600 billion in long-term Treasury bonds and assumed that Congress would extend both the existing federal income tax cuts and long-term unemployment benefits. An additional stimulus policy came in the form of a temporary payroll tax cut that should stimulate consumer demand.

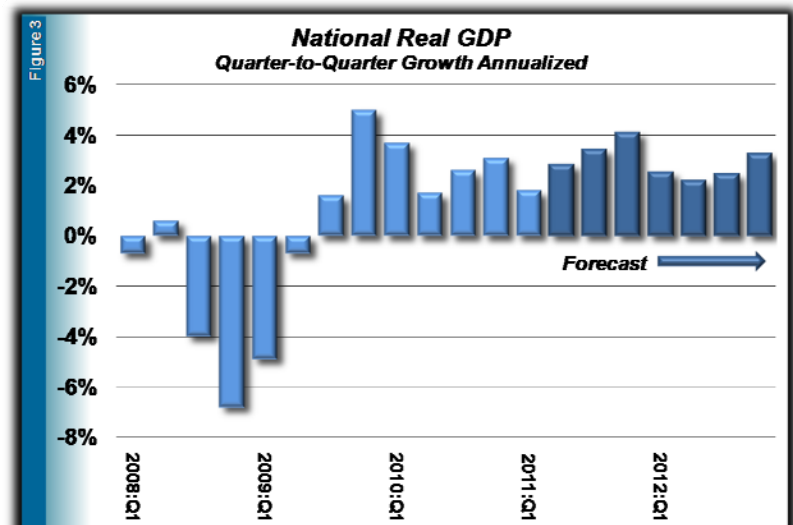
However, this new optimism was counterbalanced by new global turbulence. The spreading unrest in and around major oil producing countries quickly drove up oil prices in the early months of 2011. The price of West Texas Intermediate (WTI) crude oil went from \$89 per barrel at the beginning of the year to \$109 in the first week of April. Based on past experience, a \$20 rise in the price of a barrel of oil could raise gasoline pump prices by about 48 cents, which would raise the Consumer Price Index 0.8 percent. Higher pump prices will raise spending on gasoline by about \$60 billion—with a corresponding reduction of spending on other things—and reduce GDP by 0.2 percent.

The Tohoku Pacific earthquake and tsunami which struck Japan on March 11 was the most serious natural disaster to hit Japan since the Kobe earthquake of 1995. Early damage cost estimates ran up to \$200 billion, or around 4 percent of Japanese GDP. Given Japan's importance to the global economy, there is concern about the economic ripple effects that could result. The biggest threat would be extended problems with Japan's energy grid. Barring this, expectations are that Japanese companies will quickly work around the current difficulties. The Japanese economy is also large enough—about \$5 trillion a year—to absorb the rebuilding costs.

Overall, the U.S. national recovery should withstand these shocks. 2010 ended stronger than anticipated in the Governor's Budget forecast. Real GDP growth in the third quarter was revised upward, from 2.0 percent to 2.6 percent. Growth in the fourth quarter was stronger than first predicted, 3.1 percent versus 2.2 percent (Figure 3).

The national economy started off 2011 with momentum. Job creation accelerated during the first quarter. Nearly 160,000 new jobs were created each month on average during the first three months of 2011. During 2010, the average monthly gain was only 78,000 jobs. The unemployment rate dropped a full percentage point from November 2010 to March 2011, from 9.8 percent to 8.8 percent. While this rate is still painfully high and there is still a long way to go to recoup the eight million jobs lost during the recession, labor markets appeared to be making steady progress.

Industrial output made a strong recovery. In March, manufacturing activity not only expanded for the twentieth consecutive month, but grew at its second best pace in nearly 30 years. Manufacturing output received a large boost from strong growth in motor vehicle production. Better factory activity also generated gains in manufacturing jobs that appeared to end a long decline that stretched back to 1998. By March, the industrial sector had recovered nearly 60 percent of its recessionary decline.



After incorporating these developments, the national outlook projects the recovery continuing, albeit at a meager pace by historical standards. GDP growth will continue, but will slow slightly in 2011—2.8 percent year over year versus 2.9 percent in 2010. The unemployment rate will trend down throughout 2011, but will still average almost 9 percent for the year.

CALIFORNIA

California was also buffeted by the same developments that affected the national outlook. A modest recovery is still underway but more uncertainty looms. Weak real estate market conditions, depressed construction activity, and public sector fiscal problems remain the principal impediments to stronger job growth.

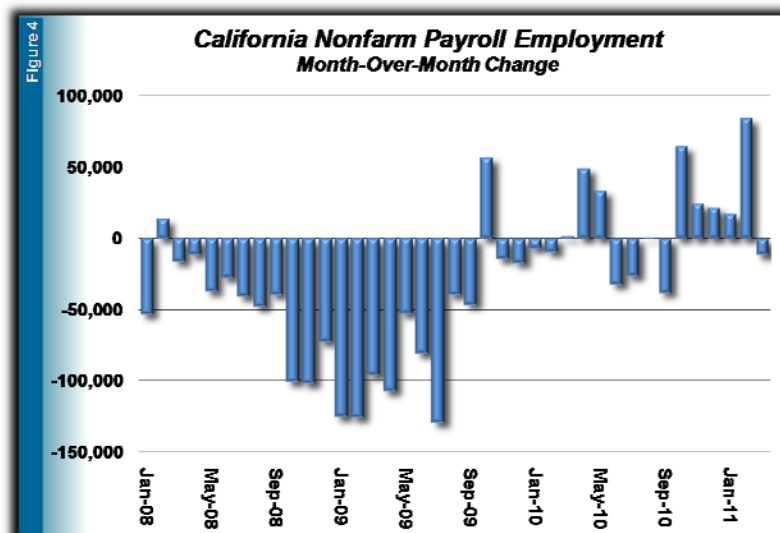
The earthquake in Japan is of special concern to California because of the significant economic links to Japan, which include integrated two way trade in high technology goods, extensive vehicle imports, lucrative agricultural exports, and tourism. Japan is the fourth largest foreign market for California's goods exports, after neighboring Mexico, Canada, and the trade giant China. California is also a very popular vacation destination for Japanese tourists, just as Japan is for Californians. According to preliminary data for 2010, California received 557,000 visitors from Japan who spent approximately \$1,100 per trip, which translated into approximately \$600 million of economic activity. Japan is a major supplier of electronic components to the Silicon Valley. Despite the devastation, high-tech industry experts don't anticipate long term effects on the supply chain that connects Japan with the Silicon Valley.

As with the nation, 2010 was a transition year during which the severe job losses from the recession switched to modest gains. This trend continued into the early months of 2011 as shown in Figure 4. California gained nonfarm jobs in five out of the six months ending with March, averaging over 30,000 new jobs each month. This was a considerable improvement from the 7,000 average monthly gains during 2010 as a whole and the monthly average loss of 65,000 jobs during 2009.

California added 90,600 jobs during the first three months of 2011. On a year-over-year basis, employment in the state grew faster than in the nation as a whole—1.2 percent versus 0.9 percent. The strongest growth was in the Professional and Business Services sector, which includes the high-paying professional, scientific, and technical services and employment services (temporary help) subsectors. The state's unemployment rate was still painfully high early in 2011, but had improved—down to 12.0 percent in March from 12.5 percent in December 2010. Even so, the state's job total remains about 1.2 million below its peak total in July 2007. The state is forecast to recover the nonfarm jobs lost during the recession in the third quarter of 2016, or approximately 86 months after the end of the recession.

The public sector and the housing and finance industries continue to lag the recovery. There is still no sign of a strong rebound for the state's housing market and there remains considerable uncertainty looking forward. Job growth, while improving, is still weak, particularly for new entrants to the labor market. The building industry itself was so severely stricken by the recession that new home delivery would be slow to come even if demand dramatically improved.

Budget problems continue to depress public sector employment. Even though private sector employment in California began growing after the first quarter of 2010, state and local government employment was still falling during the early months of 2011. Whereas private employment during the first quarter of 2011 was up 1.8 percent from the first quarter of 2010, state and local government employment was down 3.1 percent over the same period.



THE FORECAST

Both the nation and California appear to be in the midst of a modest, drawn-out recovery. The private sector—outside of homebuilding—is leading the way. For California, export-driven and high-technology sectors are doing particularly well due to the general recovery of the global economy.

Despite recent upbeat indications, the return to pre-recession conditions will be slow and steady. Financial crises historically lead to prolonged readjustment periods that last for years. The steep drop in home values means that a full recovery in residential construction and all associated sectors could be delayed for several years. Likewise, government spending and public sector employment will be lower for the foreseeable future. According to this outlook, industry employment in California is not expected to return to its prerecession level until 2016 and the state's unemployment rate may not achieve full employment for several years thereafter.

Compared to the nation, California suffered a larger drop in personal income from the peak year 2007 to the bottom of the recession in 2009. Growth rates coming out of the recession will be initially weaker for California as well—2.1 percent in 2010 and 4.4 percent in 2011 versus 3.1 percent and 5.2 percent for the nation—but then the forecast projects that California's growth will exceed the national totals in 2012 and 2013—4.5 percent and 5.1 percent, respectively, compared to 3.7 and 4.6 percent for the nation. This reflects strong growth in several high-wage sectors including information services, computer systems design, and scientific and technical research.

There are risks to the outlook. While the impact of Japan's nuclear and energy crises are limited at present, their ultimate impact is still uncertain. World oil prices will likely be elevated for the foreseeable future. Inflationary concerns recently prompted China's government to take steps to slow the growth of its economy. If successful, this could significantly dampen growth in a number of countries including the U.S. Lastly, ongoing financial problems in several European nations still present risks. See Figure 5 and Figure 6 for highlights of the national and California forecasts.

Figure 5

Selected U.S. Economic Indicators			
	2010	2011	2012
	(Est.)	(Projected)	(Projected)
Real gross domestic product, (2005 dollar) (Percent change)	2.9	2.8	2.9
Personal consumption expenditures	1.7	2.6	2.6
Gross private domestic investment	17.1	7.3	10.3
Government purchases of goods and services	1.0	-1.1	-1.9
GDP deflator (2005=100) (Percent change)	1.0	1.5	1.7
GDP (Current dollar) (Percent change)	3.8	4.4	4.6
Federal funds rate (Percent)	0.18	0.17	1.28
Personal income (Percent change)	3.1	5.2	3.7
Corporate profits before taxes (Percent change)	36.8	-6.4	1.3
Nonfarm wage and salary employment (Millions)	129.8	131.4	133.8
(Percent change)	-0.7	1.2	1.8
Unemployment rate (Percent)	9.6	8.8	8.2
Housing starts (Millions)	0.59	0.62	1.04
(Percent change)	5.6	5.2	68.2
New car and light truck sales (Millions)	11.5	12.9	14.7
(Percent change)	11.0	11.7	13.9
Consumer price index (1982-84=100)	218.1	223.2	227.4
(Percent change)	1.6	2.4	1.9

*Forecast based on data available as of April 2011.
Percent changes calculated from unrounded data.*

Figure 6

Selected California Economic Indicators

	2010	Percent change	Projected			
			2011	Percent change	2012	Percent change
Personal income (\$ billions)	1,606.1	2.1%	1,677.0	4.4%	1,751.8	4.5%
Nonfarm W&S employment (thousands)	13,893.1	-1.4%	14,068.2	1.3%	14,328.6	1.9%
Mining and logging	26.5	1.6%	27.1	2.0%	28.0	3.6%
Construction	559.5	-10.3%	565.6	1.1%	577.1	2.0%
Manufacturing	1,241.6	-3.2%	1,256.8	1.2%	1,281.7	2.0%
High technology	343.3	-1.9%	350.3	2.1%	360.8	3.0%
Trade, transportation, & utilities	2,616.9	-1.0%	2,661.4	1.7%	2,708.5	1.8%
Information	428.1	-2.8%	450.1	5.2%	472.5	5.0%
Financial activities	760.4	-2.9%	761.9	0.2%	778.4	2.2%
Professional and business services	2,067.4	0.4%	2,143.3	3.7%	2,208.0	3.0%
High technology	318.4	2.6%	323.2	1.5%	333.2	3.1%
Educational and health services	1,786.3	1.5%	1,827.8	2.3%	1,866.2	2.1%
Leisure and hospitality	1,497.9	-0.4%	1,522.6	1.6%	1,536.3	0.9%
Other services	482.0	-0.9%	481.3	-0.1%	497.1	3.3%
Government	2,426.6	-2.1%	2,370.4	-2.3%	2,374.9	0.2%
Unemployment rate	12.4%		12.1%		10.8%	
Housing permits (thousands of units)	45	22.9%	55	22.1%	87	58.4%
Consumer price index (1982-84=100)	226.9	1.3%	232.1	2.3%	236.6	1.9%

Forecast based on data available as of April 2011
Percent changes calculated from unrounded data.

Select Indicators

	2010	2011				Year-Over
	Apr	Jan	Feb	Mar	Apr	% Change
EMPLOYMENT (Seasonally adjusted)						
Civilian employment (000)	15,960	15,905	15,916	15,902	15,939	-0.1%
Unemployment (000)	2,254	2,246	2,201	2,176	2,143	-4.9%
Unemployment rate	12.4%	12.4%	12.1%	12.0%	11.9%	--
Nonagricultural wage and salary employment (000) a/	13,910.5	13,976.3	14,060.9	14,046.0	14,054.9	1.0%
Goods-producing industries	1,840.1	1,841.0	1,854.2	1,849.8	1,850.9	0.6%
Mining and logging	26.6	27.0	27.3	27.2	27.4	3.0%
Construction	568.1	566.8	577.1	572.4	569.5	0.2%
Manufacturing	1,245.4	1,247.2	1,249.8	1,250.2	1,254.0	0.7%
Service-providing industries	12,070.4	12,135.3	12,206.7	12,196.2	12,204.0	1.1%
Trade, transportation, and utilities	2,621.1	2,639.4	2,648.1	2,645.0	2,652.8	1.2%
Information	420.1	433.9	447.8	450.6	449.3	7.0%
Financial activities	759.4	757.4	758.1	756.5	754.9	-0.6%
Professional and business services	2,061.9	2,105.5	2,132.1	2,126.2	2,120.7	2.9%
Educational and health services	1,780.9	1,812.2	1,818.6	1,821.6	1,827.2	2.6%
Leisure and hospitality	1,496.1	1,511.0	1,516.8	1,517.2	1,529.6	2.2%
Other services	485.4	477.7	487.0	481.6	483.2	-0.5%
Government	2,445.5	2,398.2	2,398.2	2,397.5	2,386.3	-2.4%
Federal government	272.7	254.1	253.6	254.6	247.2	-9.4%
State and local government	2,172.8	2,144.1	2,144.6	2,142.9	2,139.1	-1.6%
High-technology industries b/	820.5	822.7	825.9	826.6	826.5	0.7%
Computer and electronic products manufacturing	273.6	279.6	280.1	280.2	280.4	2.5%
Aerospace products and parts manufacturing	68.9	68.3	68.1	67.9	67.2	-2.5%
Software publishers	44.1	45.4	45.5	45.3	45.6	3.4%
Telecommunications	99.1	96.5	97.0	96.2	94.8	-4.3%
Internet service providers, web portals and data processing	19.0	19.7	19.6	19.9	19.9	4.7%
Computer systems design	197.9	195.8	196.9	197.7	198.0	0.1%
Scientific research and development	117.9	117.4	118.7	119.4	120.6	2.3%
HOURS AND EARNINGS IN MANUFACTURING (Not seasonally adjusted)						
Average weekly hours	39.9	40.8	40.7	40.9	40.8	2.3%
Average weekly earnings	\$754.11	\$788.66	\$785.92	\$787.73	\$788.66	4.6%
Average hourly earnings	\$18.90	\$19.33	\$19.31	\$19.26	\$19.33	2.3%
CONSUMER PRICE INDEX (1982-84=100) (Not seasonally adjusted)						
All Urban Consumers Series						
California Average	227.0	NA	230.3	NA	234.1	3.1%
San Francisco CMSA	227.7	NA	230.0	NA	234.1	2.8%
Los Angeles CMSA	225.9	228.7	229.7	232.2	233.3	3.3%
Urban Wage Earners and Clerical Workers Series						
California Average	219.8	NA	223.7	NA	228.1	3.8%
San Francisco CMSA	223.8	NA	226.6	NA	231.6	3.5%
Los Angeles CMSA	218.5	221.5	222.8	225.8	227.1	3.9%
CONSTRUCTION						
Private residential housing units authorized (000) c/	38	51	33	44	42	10.6%
Single units	25	27	20	20	22	-12.1%
Multiple units	13	24	12	25	20	53.3%
Residential building authorized valuation (millions) d/	\$12,629	\$16,101	\$12,744	\$14,554	\$11,900	-5.8%
Nonresidential building authorized valuation (millions) d/	\$11,008	\$12,727	\$12,690	\$11,124	\$11,171	1.5%
Nonresidential building authorized valuation (millions) e/	\$12,197	\$10,669	\$10,584	\$12,425	\$11,786	-3.4%
Commercial	2,514	1,530	966	1,703	1,376	-45.3%
Industrial	106	993	636	773	195	84.7%
Other	2,869	1,883	2,270	1,889	1,992	-30.5%
Alterations and additions	6,709	6,262	6,711	8,061	8,222	22.6%
AUTO SALES (Seasonally adjusted)						
New auto registrations (number)	NA	103,095	104,688	NA	NA	--
a/ The wage and salary employment information is based on the new North American Industry Classification System (NAICS).						
b/ Not seasonally adjusted						
c/ Seasonally adjusted at annual rate						
d/ Seasonally adjusted						
e/ Not seasonally adjusted						
NA Not available						

Select Indicators (continued)

OFFICE VACANCY AND INDUSTRIAL AVAILABILITY RATES, FIRST QUARTER 2011									
(Percent)									
		Office Vacancy		Office Vacancy		Office Vacancy		Industrial Availability	
		Downtown		Suburban		Metropolitan			
		1Q11	1Q10	1Q11	1Q10	1Q11	1Q10	1Q11	1Q10
Northern and Central California:									
Oakland East-Bay		13.9	13.8	16.8	17.4	15.7	16.0	10.9	11.1
Sacramento		15.8	13.0	24.4	24.2	22.6	21.8	15.6	14.3
San Francisco		14.5	16.2	12.0	15.6	13.6	16.0	11.0	10.0
San Jose		23.2	22.2	17.3	21.0	18.1	21.2	15.8	17.2
Walnut Creek		NA	NA	18.2	17.4	18.2	17.4	16.6	13.5
Southern California:									
Inland Empire		NA	NA	24.0	24.0	24.0	24.0	12.8	15.9
Los Angeles Metro		16.8	17.4	16.3	16.3	16.4	16.5	7.4	8.3
Orange County		NA	NA	15.9	18.4	15.9	18.4	8.7	11.1
San Diego		18.1	16.1	18.5	20.9	18.4	20.1	17.8	15.9
Ventura County		NA	NA	22.9	23.9	22.9	23.9	NA	NA
National Average		14.6	15.1	18.6	19.0	17.3	17.7	12.9	13.5
SALES OF EXISTING SINGLE-FAMILY HOMES									
		Median	Units	FOREIGN TRADE		DOD PRIME CONTRACTS a/			
		Price	(SAAR)	Exports	Imports				
				(\$ millions)		\$ millions		% of U.S.	
2006	Jan	\$549,460	500,470	\$10,848	\$25,555	1993-94	22,573	20.5%	
	Feb	534,400	513,740	10,791	23,004	1994-95	18,277	16.8%	
	Mar	562,130	539,170	13,336	27,722	1995-96	18,230	16.7%	
	Apr	562,380	516,960	11,991	27,005	1996-97	18,477	17.3%	
	May	563,860	488,260	12,306	28,090	1997-98	17,401	15.9%	
	Jun	575,850	483,690	12,664	29,621	1998-99	17,372	15.1%	
	Jul	567,860	453,980	12,255	29,990	1999-00	18,100	14.7%	
	Aug	577,300	442,150	12,720	31,550	2000-01	19,939	14.7%	
	Sep	557,150	444,780	12,567	30,608	2001-02	23,816	15.0%	
	Oct	552,020	443,320	12,913	32,200	2002-03	28,681	15.0%	
	Nov	554,500	450,930	12,676	29,747	2003-04	27,875	13.7%	
	Dec	569,350	452,060	12,756	28,396	2004-05	31,065	13.1%	
2007	Jan	\$551,220	446,820	\$12,325	\$28,025	2005-06	32,126	12.5%	
	Feb	554,280	480,170	11,717	26,183	2006-07	36,135	12.2%	
	Mar	582,930	422,300	13,954	27,815	2007-08	37,820	10.8%	
	Apr	594,110	357,460	12,360	28,049				
	May	594,530	358,640	13,283	28,734				
	Jun	591,280	357,890	13,864	29,961				
	Jul	587,560	341,130	12,837	30,537				
	Aug	588,670	313,310	13,527	31,206				
	Sep	535,760	255,340	13,375	30,962				
	Oct	517,240	254,650	14,511	33,415				
	Nov	490,511	280,920	13,483	31,767				
	Dec	480,820	294,520	14,313	29,615				
2008	Jan	\$427,200	311,160	\$13,016	\$28,280				
	Feb	418,260	338,970	13,664	27,306				
	Mar	414,640	319,290	14,868	27,996				
	Apr	404,470	362,170	14,308	29,907				
	May	384,540	411,770	15,023	30,640				
	Jun	373,100	427,910	15,800	31,269				
	Jul	355,000	494,390	15,992	33,976				
	Aug	352,730	483,400	15,206	31,892				
	Sep	319,310	519,530	14,545	31,994				
	Oct	307,210	557,050	14,485	32,308				
	Nov	287,880	514,240	12,290	26,322				
	Dec	283,060	549,190	11,397	24,082				
2009	Jan	\$249,960	602,660	\$9,640	\$21,730				
	Feb	247,590	620,410	9,987	16,926				
	Mar	249,790	504,200	11,149	20,895				
	Apr	253,110	526,720	10,590	20,822				
	May	263,440	546,490	10,769	21,678				
	Jun	274,640	514,230	11,214	22,725				
	Jul	285,310	555,780	11,371	23,893				
	Aug	293,400	526,110	11,738	24,327				
	Sep	296,610	531,180	11,684	25,986				
	Oct	297,500	560,390	12,794	27,136				
	Nov	304,520	536,720	12,573	25,114				
	Dec	306,820	558,320	13,707	25,292				
2010	Jan	\$284,600	532,870	\$11,973	\$22,934				
	Feb	278,190	518,390	12,806	22,869				
	Mar	300,900	506,493	14,366	24,904				
	Apr	307,000	476,029	13,651	25,814				
	May	324,430	552,800	14,272	26,957				
	Jun	311,950	494,242	14,194	30,808				
	Jul	314,850	439,617	13,875	29,709				
	Aug	318,660	449,290	14,028	31,878				
	Sep	309,720	466,930	13,738	30,582				
	Oct	304,220	449,480	14,968	29,851				
	Nov	296,690	491,590	14,527	31,003				
	Dec	305,020	520,080	16,190	28,404				
2011	Jan	\$279,140	547,080	\$14,372	\$27,307				
	Feb	271,320	498,632	14,484	25,893				
	Mar	286,510	514,758	16,834	29,068				
	Apr	293,570	499,830	NA	NA				
a/ U.S. fiscal year: October through September				NA Not available					

Leading Indicators ^{a/}

		Manufacturing		Unemployment	New	Housing Unit
		Overtime	Average	Insurance	Business	Authorizations
		Hours	Weekly Hours	Claims	Incorporations	(Thousands)
2006	Jan	4.3	40.2	41,098	9,362	188.8
	Feb	4.7	40.7	38,618	8,670	221.2
	Mar	4.5	40.2	42,535	9,303	173.7
	Apr	4.3	40.1	43,296	8,958	180.4
	May	4.4	40.2	42,917	9,032	161.8
	Jun	4.4	40.5	40,897	8,370	194.3
	Jul	4.3	40.3	42,401	8,613	144.3
	Aug	4.1	40.2	42,889	8,844	148.3
	Sep	3.9	40.2	42,269	8,686	152.7
	Oct	4.2	40.4	41,973	8,923	133.1
	Nov	4.1	40.2	43,011	8,815	138.2
	Dec	4.2	40.6	44,979	9,151	131.6
2007	Jan	4.2	40.7	42,230	9,153	151.0
	Feb	3.9	40.7	42,868	8,793	132.1
	Mar	3.9	40.4	43,457	8,818	144.4
	Apr	3.9	40.6	43,332	8,410	124.6
	May	4.0	40.6	45,294	8,290	117.7
	Jun	4.1	40.6	45,620	8,964	99.5
	Jul	4.0	40.8	45,088	8,532	110.4
	Aug	4.0	40.8	46,046	9,123	123.2
	Sep	3.9	40.6	46,872	8,945	88.2
	Oct	4.0	40.5	48,953	8,538	99.1
	Nov	3.9	40.6	48,198	9,051	77.5
	Dec	3.8	40.3	48,873	8,758	86.4
2008	Jan	3.8	40.5	49,489	8,026	73.6
	Feb	4.0	39.9	49,128	8,228	84.6
	Mar	4.0	41.0	49,957	8,068	54.3
	Apr	4.2	41.5	52,545	8,247	73.2
	May	3.8	40.9	52,539	8,210	81.1
	Jun	3.7	40.8	55,059	8,051	71.1
	Jul	3.9	40.9	59,953	7,649	62.3
	Aug	3.7	40.3	62,641	7,416	55.5
	Sep	3.7	40.5	63,690	7,489	56.5
	Oct	3.7	40.6	66,171	7,087	52.2
	Nov	3.3	40.2	71,143	6,574	74.3
	Dec	3.4	40.2	74,433	6,767	45.6
2009	Jan	3.0	40.0	77,165	7,067	33.7
	Feb	3.0	38.2	79,595	7,085	32.6
	Mar	2.9	39.1	80,165	6,713	37.9
	Apr	2.8	38.7	78,042	6,991	39.1
	May	3.0	38.9	75,808	6,782	33.8
	Jun	3.0	39.1	83,023	6,636	32.9
	Jul	2.8	39.3	83,177	6,769	33.2
	Aug	3.1	39.5	80,885	6,526	37.4
	Sep	3.1	39.4	88,144	6,275	38.2
	Oct	3.2	39.6	80,727	6,515	38.7
	Nov	3.6	40.2	73,328	6,748	41.5
	Dec	3.5	39.9	74,884	5,355	38.0
2010	Jan	3.9	40.0	83,870	5,732	55.0
	Feb	3.7	40.0	75,344	5,468	47.1
	Mar	3.7	39.9	83,623	7,803	39.0
	Apr	3.9	40.2	85,920	5,201	37.6
	May	3.9	40.2	84,299	5,552	38.8
	Jun	3.8	40.0	87,382	3,973	45.7
	Jul	3.5	40.1	84,744	10,037	45.8
	Aug	3.7	40.0	82,678	6,767	41.2
	Sep	3.6	39.8	90,139	5,951	38.7
	Oct	4.0	39.9	74,376	6,735	33.8
	Nov	4.4	40.2	70,994	6,063	47.2
	Dec	4.4	40.5	82,189	6,084	65.2
2011	Jan	4.6	41.1	70,917	5,304	51.2
	Feb	4.6	41.5	70,643	5,393	32.9
	Mar	4.4	41.3	73,954	8,001	44.4
	Apr	4.4	41.0	70,908	NA	41.6
a/ Seasonally adjusted by the California Department of Finance.						
NA Not available						

Coincident Indicators ^{a/}

		Nonagricultural	Manufacturing	Unemployment	Unemployment
		Employment	Employment	Rate	Avg. Weeks Claimed
		(Thousands)	(Thousands)	(Percent)	(Thousands)
2007	Jan	15,135	1,476	4.9	361
	Feb	15,161	1,476	5.0	366
	Mar	15,197	1,475	5.0	342
	Apr	15,137	1,468	5.1	356
	May	15,160	1,465	5.2	365
	Jun	15,173	1,468	5.3	356
	Jul	15,214	1,469	5.4	372
	Aug	15,196	1,462	5.5	370
	Sep	15,189	1,456	5.6	391
	Oct	15,169	1,454	5.7	402
	Nov	15,180	1,452	5.7	383
	Dec	15,191	1,450	5.8	425
2008	Jan	15,137	1,449	5.9	426
	Feb	15,151	1,448	6.0	420
	Mar	15,134	1,445	6.1	443
	Apr	15,123	1,442	6.4	471
	May	15,086	1,438	6.6	453
	Jun	15,058	1,434	6.9	470
	Jul	15,017	1,432	7.3	490
	Aug	14,969	1,425	7.5	512
	Sep	14,930	1,418	7.8	540
	Oct	14,829	1,405	8.2	565
	Nov	14,727	1,390	8.6	558
	Dec	14,655	1,378	9.1	650
2009	Jan	14,529	1,357	9.7	659
	Feb	14,403	1,337	10.1	710
	Mar	14,307	1,319	10.6	760
	Apr	14,200	1,303	10.9	771
	May	14,147	1,292	11.2	827
	Jun	14,067	1,278	11.5	840
	Jul	13,937	1,264	11.7	824
	Aug	13,898	1,256	11.9	860
	Sep	13,851	1,249	12.0	832
	Oct	13,908	1,247	12.1	792
	Nov	13,893	1,243	12.2	779
	Dec	13,876	1,241	12.2	717
2010	Jan	13,869	1,242	12.3	691
	Feb	13,860	1,241	12.4	676
	Mar	13,861	1,242	12.4	685
	Apr	13,911	1,245	12.4	646
	May	13,944	1,244	12.4	673
	Jun	13,912	1,241	12.4	684
	Jul	13,885	1,243	12.4	646
	Aug	13,886	1,242	12.4	664
	Sep	13,848	1,237	12.5	650
	Oct	13,913	1,242	12.5	644
	Nov	13,937	1,244	12.5	608
	Dec	13,959	1,245	12.5	563
2011	Jan	13,976	1,247	12.4	606
	Feb	14,061	1,250	12.1	576
	Mar	14,046	1,250	12.0	531
	Apr	14,055	1,254	11.9	524
		Personal	Wages &		
		Income b/	Salaries b/	Taxable Sales c/	
		(\$ millions)	(\$ millions)	(\$ millions)	
2007	Qtr I	\$1,543,703	\$827,863	\$143,287	
	Qtr II	1,560,081	833,551	140,605	
	Qtr III	1,567,894	836,499	137,484	
	Qtr IV	1,593,923	851,862	139,987	
2008	Qtr I	\$1,594,422	\$850,562	\$138,076	
	Qtr II	1,615,087	852,179	137,257	
	Qtr III	1,615,164	849,938	133,664	
	Qtr IV	1,591,946	830,789	123,338	
2009	Qtr I	\$1,566,138	\$808,227	\$115,784	
	Qtr II	1,569,085	804,362	111,080	
	Qtr III	1,561,650	796,289	113,606	
	Qtr IV	1,571,124	799,957	116,176	
2010	Qtr I	\$1,588,465	\$804,267	\$117,261	
	Qtr II	1,604,617	812,013	116,681	
	Qtr III	1,607,206	814,463	118,972	
	Qtr IV	1,622,873	821,961	125,017	
2011	Qtr I	NA	NA	\$127,244	
a/ Seasonally adjusted.					
b/ Estimates by the U.S. Bureau of Economic Analysis.					
c/ Taxable sales estimates for 2010 are preliminary.					
NA Not available					

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are manufacturing employment and taxable sales. These series are discussed in the technical note below.

TECHNICAL NOTE

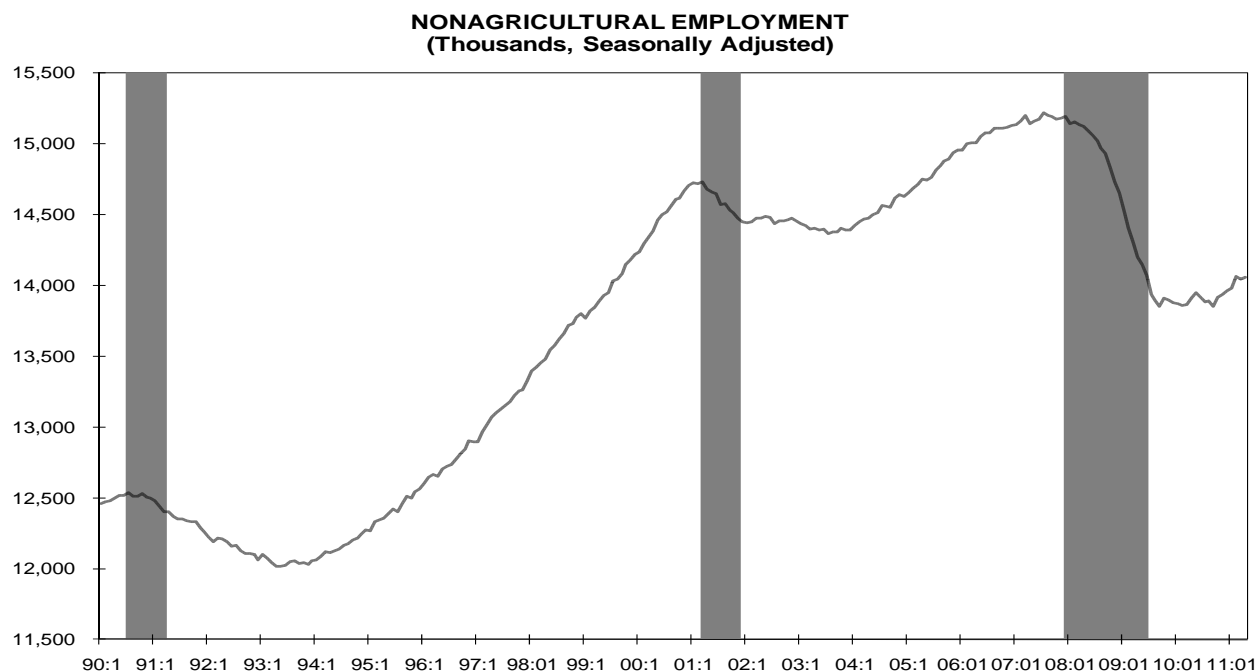
Whenever appropriate, data used in the charts have been seasonally adjusted. The method of seasonal adjustment is the X-12 Arima program. Persons interested in a detailed description of this method are referred to the U.S. Census Bureau's Statistical Research Division.

Under the X-12 Arima method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

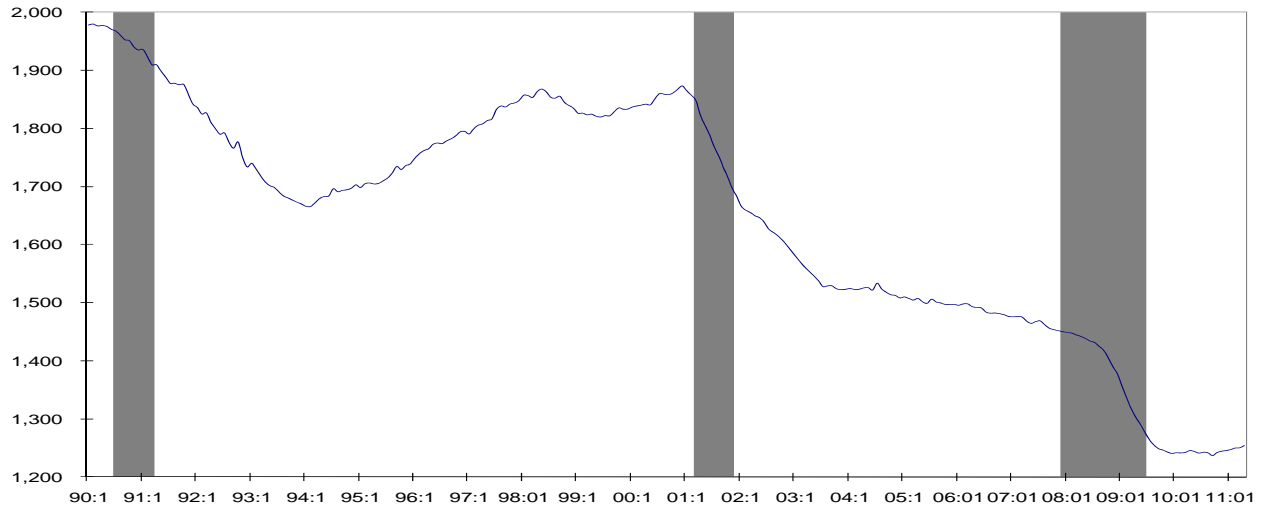
The manufacturing employment series is an addition to the NBER indicator list. It is used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is, therefore, a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

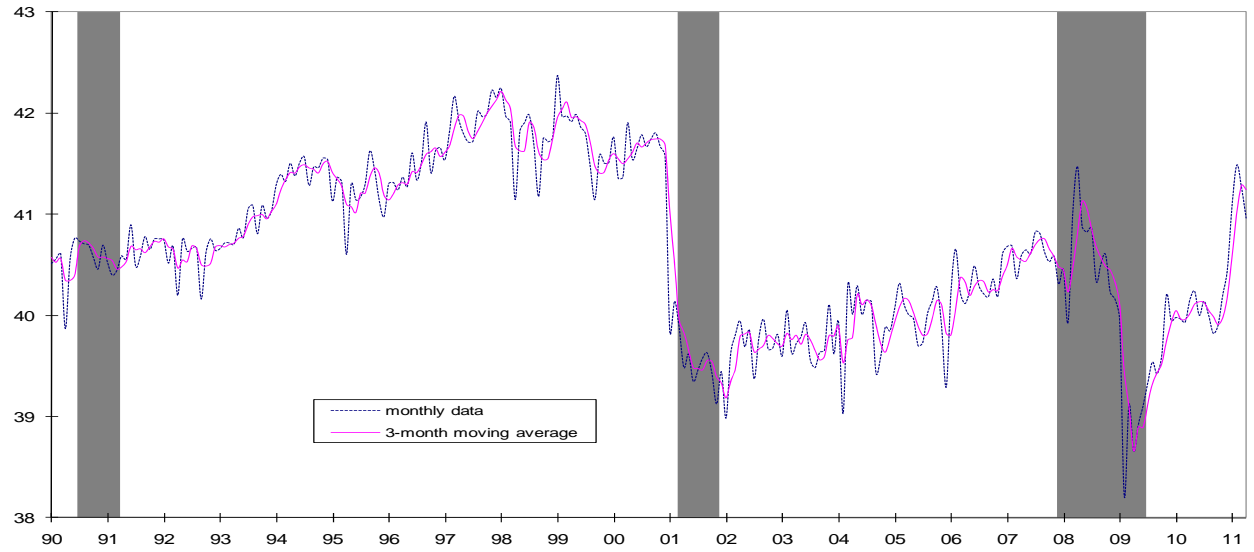
The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but are of interest to persons looking at overall economic developments.



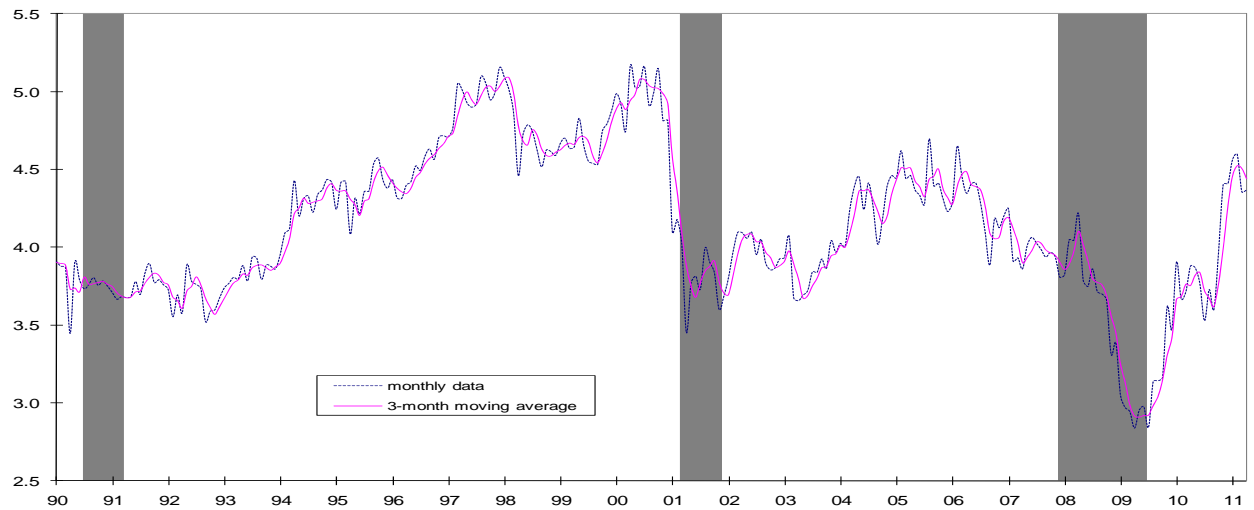
**MANUFACTURING EMPLOYMENT
(Thousands, Seasonally Adjusted)**



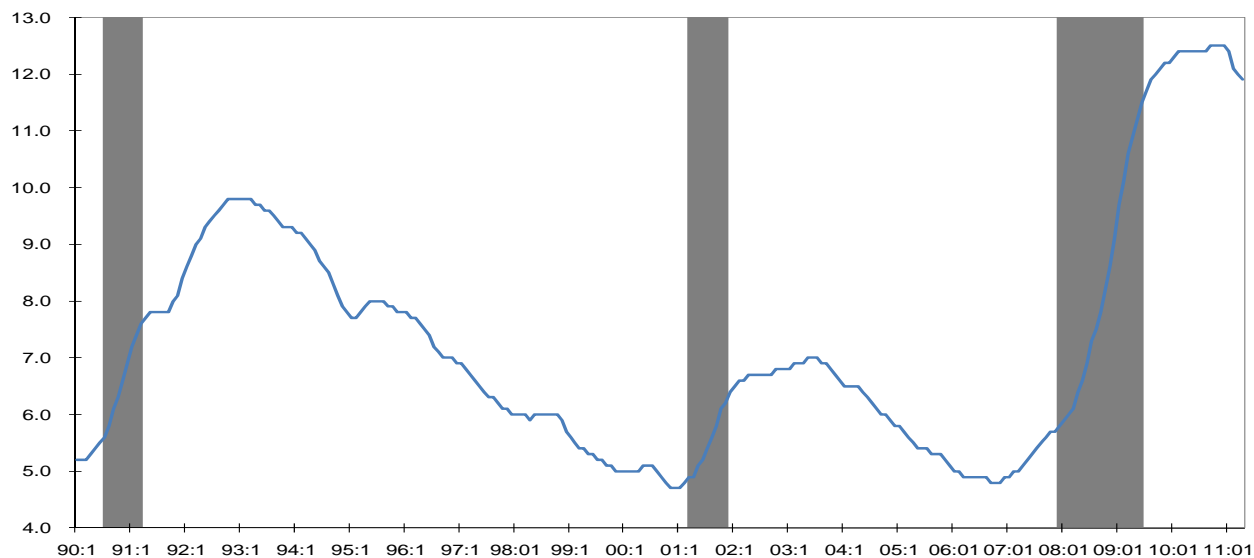
**AVERAGE WEEKLY HOURS, MANUFACTURING
(Seasonally Adjusted)**



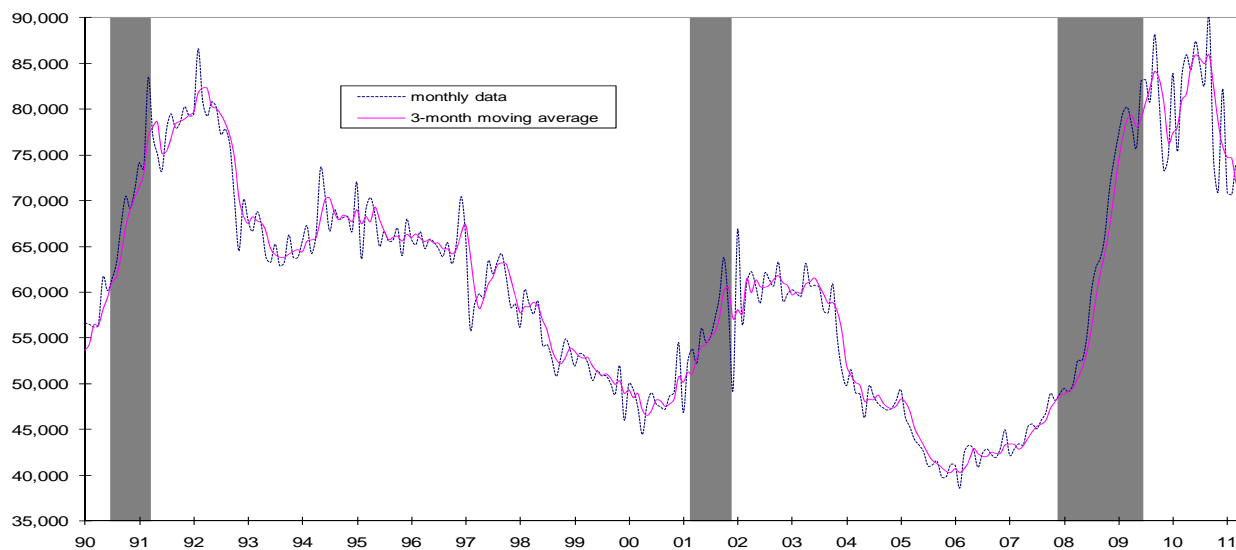
**AVERAGE OVERTIME HOURS, MANUFACTURING
(Seasonally Adjusted)**



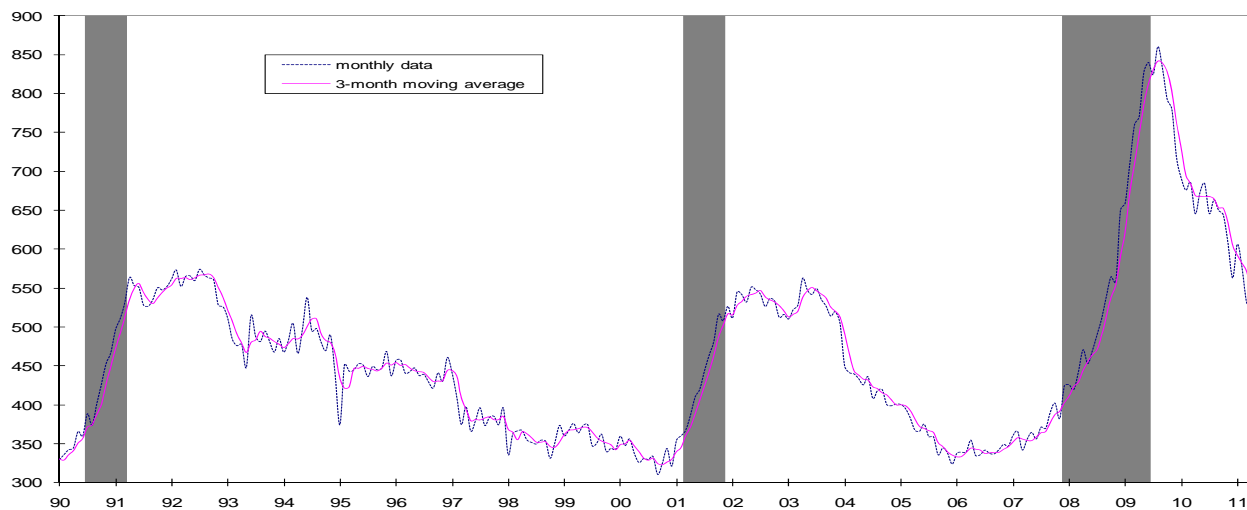
**UNEMPLOYMENT RATE
(Percent)**



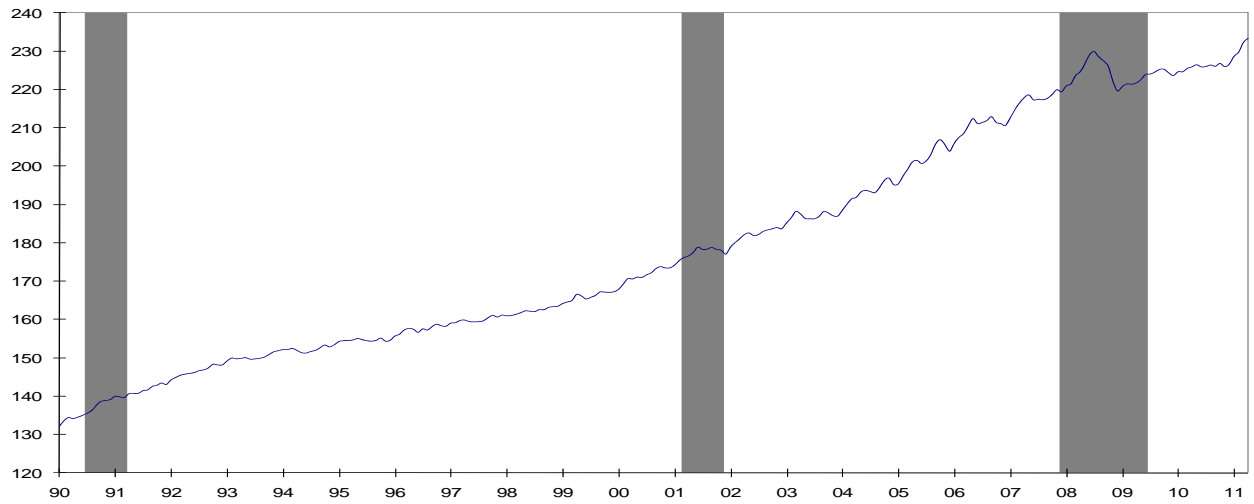
**INITIAL AND TRANSITIONAL CLAIMS FOR UNEMPLOYMENT INSURANCE
(Weekly Average, Seasonally Adjusted)**



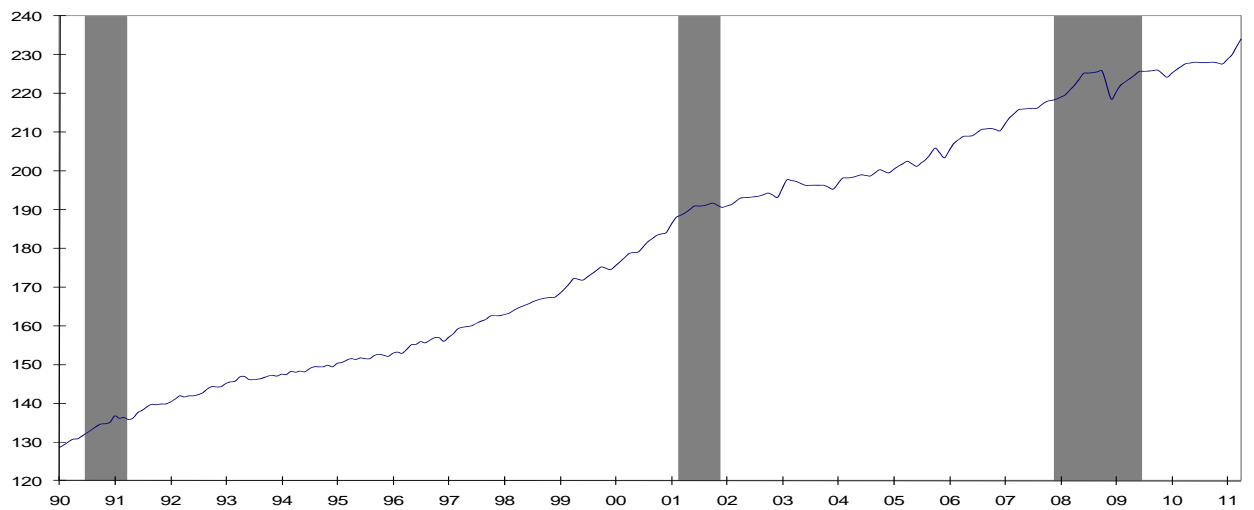
**UNEMPLOYMENT, AVERAGE WEEKS CLAIMED
(Thousands, Seasonally Adjusted)**



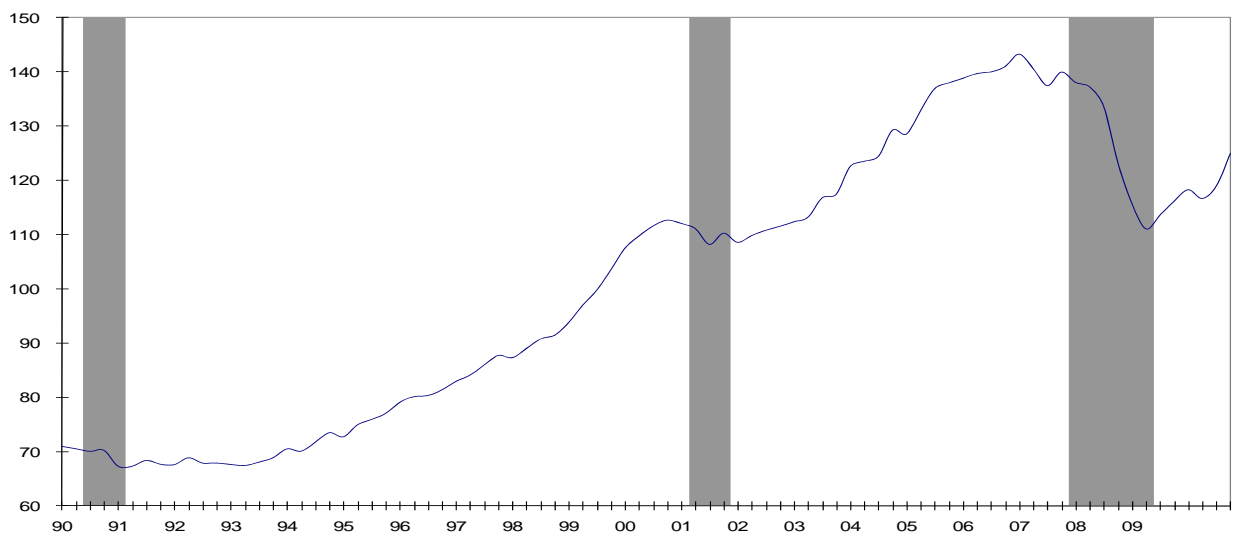
**CONSUMER PRICE INDEX, LOS ANGELES
(1982-84=100)**



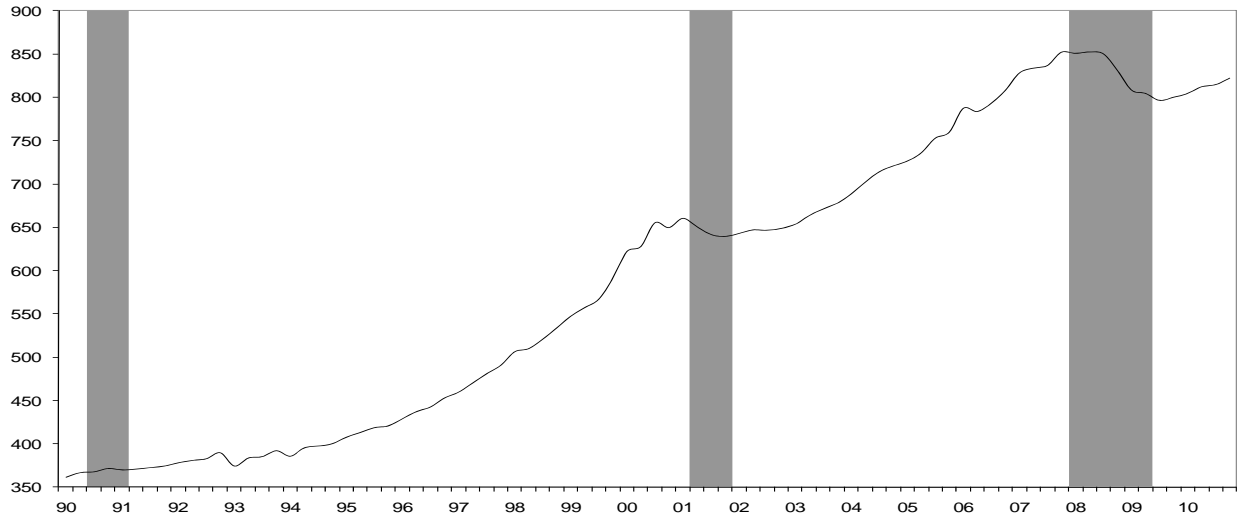
**CONSUMER PRICE INDEX, SAN FRANCISCO
(1982-84=100)**



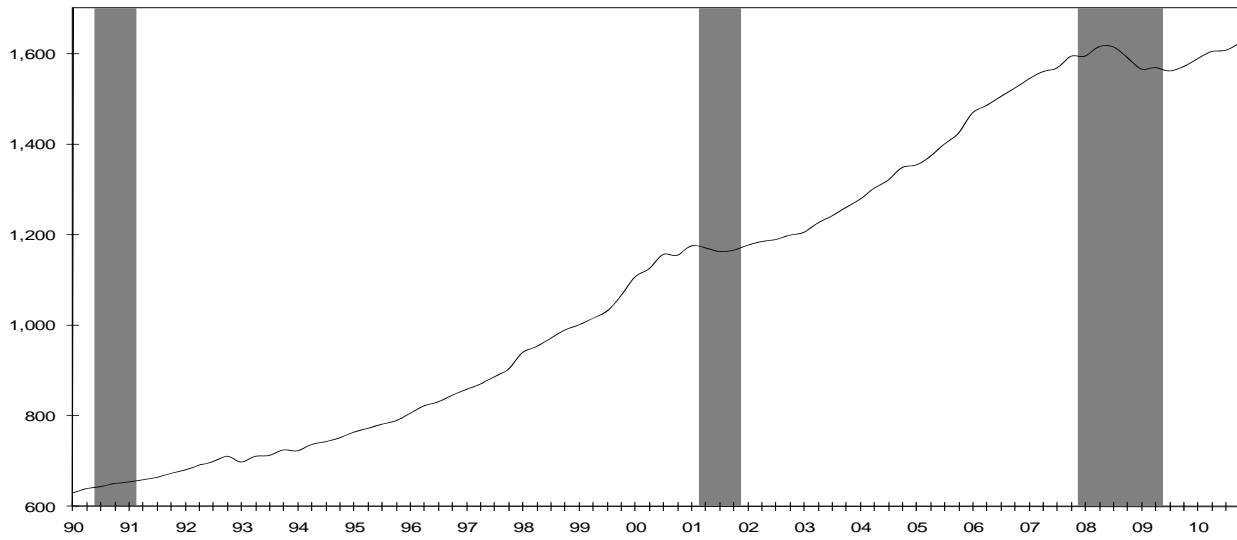
**TAXABLE SALES
(\$ Billions, Seasonally Adjusted)**



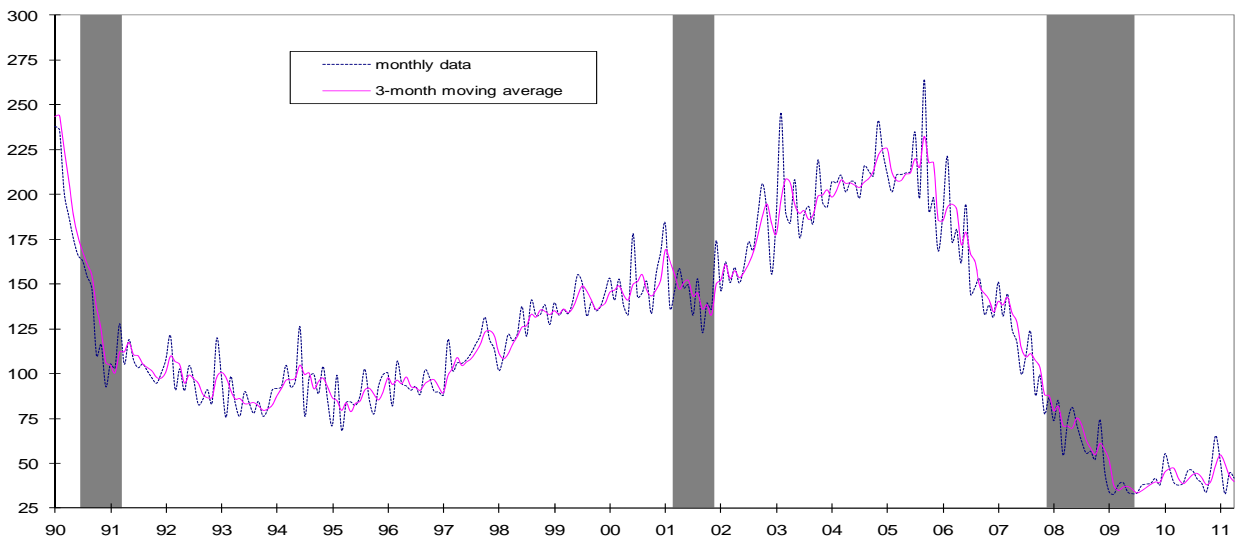
TOTAL WAGES AND SALARIES
(\$ Billions, Seasonally Adjusted)



PERSONAL INCOME
(\$ Billions, Seasonally Adjusted)



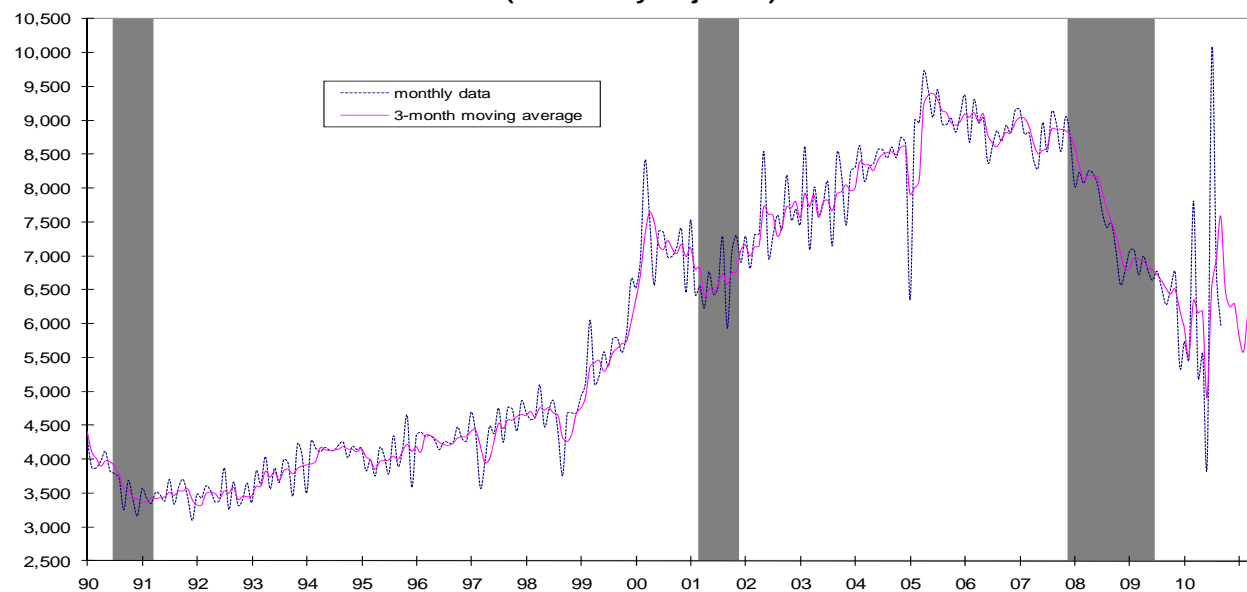
NEW HOUSING UNITS AUTHORIZED BY BUILDING PERMITS
(Thousands, Seasonally Adjusted At Annual Rate)



RESIDENTIAL AND NONRESIDENTIAL BUILDING PERMIT VALUATION
(Dollars In Millions, Seasonally Adjusted At Annual Rate)



NEW BUSINESS INCORPORATIONS
(Seasonally Adjusted)



REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854-

<u>Initial Trough</u>		<u>Peak</u>		<u>Terminal Trough</u>		<u>Expansion (months)</u>	<u>Contraction (months)</u>	<u>Total (months)</u>
Dec.	1854	June	1857	Dec	1858	30	18	48
Dec.	1858	Oct.	1860	June	1861	22	8	30
June	1861	April	1865	Dec.	1867	46	32	78
Dec.	1867	June	1869	Dec.	1870	18	18	36
Dec.	1870	Oct.	1873	March	1879	34	65	99
March	1879	March	1882	May	1885	36	38	74
May	1885	March	1887	April	1888	22	13	35
April	1888	July	1890	May	1891	27	10	37
May	1891	Jan.	1893	June	1894	20	17	37
June	1894	Dec.	1895	June	1897	18	18	36
June	1897	June	1899	Dec.	1900	24	18	42
Dec.	1900	Sept.	1902	Aug.	1904	21	23	44
Aug.	1904	May	1907	June	1908	33	13	46
June	1908	Jan.	1910	Jan.	1912	19	24	43
Jan.	1912	Jan.	1913	Dec.	1914	12	23	35
Dec.	1914	Aug.	1918	March	1919	44	7	51
March	1919	Jan.	1920	July	1921	10	18	28
July	1921	May	1923	July	1924	22	14	36
July	1924	Oct.	1926	Nov.	1927	27	13	40
Nov.	1927	Aug.	1929	March	1933	21	43	64
March	1933	May	1937	June	1938	50	13	63
June	1938	Feb.	1945	Oct.	1945	80	8	88
Oct.	1945	Nov.	1948	Oct.	1949	37	11	48
Oct.	1949	July	1953	May	1954	45	10	55
May	1954	Aug.	1957	April	1958	39	8	47
April	1958	April	1960	Feb.	1961	24	10	34
Feb.	1961	Dec.	1969	Nov.	1970	106	11	117
Nov.	1970	Nov.	1973	March	1975	36	16	52
March	1975	Jan.	1980	July	1980	58	6	64
July	1980	July	1981	Nov.	1982	12	16	28
Nov.	1982	July	1990	March	1991	92	8	100
March	1991	March	2001	Nov.	2001	120	8	128
Nov.	2001	Dec.	2007	June	2009	73	18	91

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national and international events of general interest have also been included.

---2007---

January 1	California minimum wage increased to \$7.50 per hour from \$6.75.
January 11	Vietnam becomes WTO member.
Mid-January	Freezing temperatures in California caused some \$1.3 billion in crop losses.
January 25-26	Sales of both new and existing homes in the U.S. suffered sharp declines last year. The plunge in new home sales was the biggest drop since 1990 and sales of existing homes saw its biggest decline since 1989.
February	Crippling winter storms blanketed large swaths of the Midwest and Northeast with snow, ice and freezing rain.
February 21	Rising default rates hitting subprime mortgage industry hard.
February 27	Dow Jones industrial average down 416 points, biggest one-day point loss since 2001, after declining markets in China and Europe and a steep drop in durable goods orders triggered a massive sell-off on Wall Street.
February 28	GDP grew at a 2.2 percent pace in the 4 th quarter –a considerably weaker rate than what the government first estimated.
March 2	The latest benchmark revision to the California labor market statistics shows nonfarm payroll employment growth was considerably stronger than what was first estimated.
March 14	President Bush issues a disaster declaration for California counties hurt by the January deep freeze.
March 29	Fourth quarter GDP revised upwards to 2.5 percent.
April 16	The number of default notices sent to California homeowners last quarter increased to its highest level in almost ten years, the result of flat appreciation, slow sales, and post teaser-rate mortgage resets.
April 25	Dow Jones Industrials close above 13,000 for the first time.
April 27	First quarter GDP increased at an annual rate of 1.3 percent.
May 3	S&P 500 closed above 1,500 for the first time in more than six years. Dow Jones Industrials surged to a record high for the sixth time in seven sessions.

May 4	US payroll job growth slowest since 2004. The Dow Jones industrial average hit another record high making this the longest bull run in 80 years.
May 31	First quarter GDP increased at an annual rate of 0.6 percent. That's down from its initial estimate of 1.3 percent growth.
July 24	Federal minimum wage increased to \$5.85 from \$5.15 per hour.
July 26	The Dow Jones industrial average dropped 311.50 points or 2.3 percent amid concerns about housing and credit markets.
August 2	Mattel says it is recalling 1.5 million Chinese-made toys worldwide marking the latest in a string of recalls that have fueled U.S.-China tensions over the safety of Chinese products.
August 9	The Dow Jones industrial average was down 387.18 points or 2.8 percent as worries about the global credit market sparked a broad sell-off in stocks.
August 10	The Federal Reserve injected \$38 billion into the banking system in an effort to provide liquidity as needed to keep financial markets operating normally.
August 17	The Federal Reserve, reacting to concerns about the subprime lending crisis, cut its discount rate half a percentage point to 5.75 percent.
August 23	Bank of America invests \$2 billion in Countrywide Financial Corporation, helping the nation's largest mortgage lender shore up its finances as it struggles with a liquidity crunch.
August 24	California Governor Arnold Schwarzenegger signs the 2007-08 state budget bill.
August 28	The Dow Jones industrial average closed down 280.28 points or 2.1 percent as investors were hit by fresh worries over declining consumer confidence, falling home prices, shrinking profits on Wall Street and uncertainty about the Federal Reserve.
August 30	Second quarter GDP increased at an annual rate of 4 percent. That's up from its initial estimate of 3.4 percent growth.
September 10	Blasts rip Mexico gas and oil pipelines.
September 18	Federal funds rate target reduced from 5.25 percent to 4.75 percent. Discount rate cut from 5.75 percent to 5.25 percent.
September 27	Second quarter GDP increased at an annual rate of 3.8 percent. That's down from its preliminary estimate of 4 percent.
October 21-26	Southern California wildfires.
October 31	Federal funds rate target reduced from 4.75 percent to 4.50 percent. Discount rate cut from 5.25 percent to 5 percent.
November 1	The Federal Reserve injects \$41 billion in temporary reserves into the US money markets.

November 5-	Members of the Writers Guild of America strike
November 12	Citigroup, Bank of America, and JPMorganChase agree to a \$75 billion superfund to restore confidence to credit markets.
November 15	US House of Representatives passes the Mortgage Reform and Anti-Predatory Lending Act of 2007.
December 6	President Bush announces a plan to voluntarily and temporarily freeze the mortgage rates of a limited number of mortgage debtors holding adjustable rate mortgages.
December 11	Federal funds rate target reduced from 4.50 percent to 4.25 percent. Discount rate cut from 5 percent to 4.75 percent.
December 12	The Federal Reserve injects \$40B into the money supply and coordinates such efforts with central banks from Canada, United Kingdom, Switzerland and European Union.
December 18	The Federal Reserve approves measures to give mortgage holders more protection to prevent the current housing crisis from worsening further.
December 20	Third quarter GDP increased at an annual rate of 4.9 percent.
December 21	In California, sales of new and existing houses and condos were down 39 percent from a year ago in November. Sales have declined in the last 26 months on a year-over-year basis. The median price paid for a home was down 2.4 percent from the prior month and down 11.9 percent from a year ago. Financing with adjustable-rate mortgages and with multiple mortgages have dropped sharply. Foreclosure activity is at record levels.
December	Banks, mortgage lenders, real estate investment trusts, and hedge funds continue to suffer significant losses as a result of mortgage payment defaults and mortgage asset devaluation.

---2008---

January 1	California minimum wage increased to \$8.00 per hour from \$7.50.
January 11	Bank of America agrees to purchase Countrywide Financial.
January 14	Fitch assigns Negative Rating Watch to State of California.
January 21-22	Global stock markets plunge.
January 22	Federal funds rate target reduced from 4.25 percent to 3.5 percent, the biggest one-day interest rate reduction on record.
January 30	Federal funds rate target reduced from 3.5 percent to 3 percent.
February 12	Hollywood writers strike ends.
February 19	Crude oil price tops \$100 a barrel.
March 13	Gold futures hit \$1000 an ounce for the first time. Crude oil price tops \$110 a barrel. Gas prices rise to another record high.

March 16	JPMorgan agrees to buy Bear Stearns for a mere fraction of what it was once worth.
March 17	The Fed expanded the range of programs to boost financial market liquidity and cut the discount rate by 25 basis points, to 3.25 percent
March 18	Federal funds rate target reduced from 3 percent to 2.25 percent.
March 27	Fourth quarter GDP increased at an annual rate of 0.6 percent, compared with 4.9 percent in the third quarter.
April 15	Retail chains caught in a wave of bankruptcies.
April 16	Consumer prices, over the past 12 months, is up by 4 percent, reflecting sharp gains in energy costs, which are up 17 percent over that period, and food prices, which are up 4.4 percent.
April 30	Federal funds rate target reduced from 2.25 percent to 2 percent. First quarter GDP increased at an annual rate of 0.6 percent.
July 6	Extended unemployment insurance benefits begin.
July 11	IndyMac Bank seized by federal regulators.
July 30	President Bush signs housing rescue law.
August 8	Georgia-Russia conflict escalates.
August 28	Second quarter GDP increased at an annual rate of 3.3 percent.
September 1	Hurricane Gustav strikes land west of New Orleans.
September 7	The U.S. government takes over Fannie Mae and Freddie Mac.
September 13	Hurricane Ike hits Texas.
September 14	Merrill Lynch sold to Bank of America.
September 15	Lehman Brothers files for bankruptcy protection.
September 17	The Federal Reserve loans \$85 billion to American International Group (AIG).
September 19	Treasury to provide temporary guarantees for money market mutual funds.
September 23	Governor Schwarzenegger signs record-late state budget.
September 25	Washington Mutual was seized by the FDIC, and its banking assets were sold to JP MorganChase.
September 26	Second quarter GDP increased at an annual rate of 2.8 percent.
September 29	Citigroup buys banking operations of Wachovia.
October 1	Financial crisis spreads to Europe.

October 3	The Emergency Economic Stabilization Act (commonly referred to as a bailout of the U.S. financial system) became law. Wells Fargo to merge with Wachovia.
October 6 - 10	Worst week for the stock market in 75 years.
October 6	Fed provides \$900 billion in short-term cash loans to banks.
October 7	Fed makes emergency move to lend around \$1.3 trillion directly to companies.
October 8	Federal funds rate target reduced from 2 percent to 1.5 percent. The discount rate was cut to 1.75 percent.
October 11	The Dow Jones Industrial Average caps its worst week ever with its highest volatility day ever recorded in its 112 year history.
October 12	European leaders announce recapitalization plans for Europe's banks.
October 24	OPEC to cut oil output by 1.5 million barrels a day.
October 29	Federal funds rate target reduced from 1.5 percent to 1 percent.
October 30	Third quarter GDP declines 0.3 percent.
November 3	Boeing machinists' 57-day strike ends.
November 15-	Wildfires burn five Southern California counties.
November 17	Japan is officially in recession.
November 24	The federal government approves plan to help Citigroup.
December 1	Recession in the US began in December 2007, according to NBER.
December 16	The Federal Reserve cut the federal funds rate target to a range of between zero percent and 0.25 percent.
December 17	OPEC to cut oil production starting January in a bid to prop up falling oil prices.
December 19	U.S. auto industry bailout approved.
December 23	Third quarter GDP decreased at an annual rate of 0.5 percent.

---2009---

January 20	Barack Obama inaugurated as the 44th President of the U.S.
January 23	British economy is officially in recession.
February 3	S&P lowered California's bond rating to A from A+.
February 17	President Obama signed the \$787 billion economic stimulus package into law. The "American Recovery and Reinvestment Act of 2009" includes a variety of spending measures and tax cuts intended to promote economic recovery.

February 18	President Obama unveiled the Homeowner Affordability and Stability Plan.
February 20	California Governor Arnold Schwarzenegger signs the 2009-10 state budget bill.
February 27	Fourth quarter GDP decreased at an annual rate of 6.2 percent.
March 2	Dow Jones Industrial Average drops below 7000 for the first time since 1997.
March 19	Moody's lowered California's bond rating from A1 to A2. Fitch lowered California's bond rating from A+ to A.
March 23	U.S. Treasury Secretary unveils the Public-Private Investment Program.
April 23	California adopts low carbon fuel standards.
April 26	Swine Flu declared public health emergency.
April 29	First quarter GDP decreased at annual rate of 6.1 percent.
April 30	Chrysler files for bankruptcy.
May 7	Governor Schwarzenegger proclaims state of emergency in Santa Barbara due to Jesusita wildfire.
June 1	General Motors files for bankruptcy.
June 10	Fiat completes acquisition of Chrysler assets.
June 25	First quarter GDP decreased at annual rate of 5.5 percent.
July 6	Fitch Ratings downgraded California's long-term bond rating from A- to BBB. Moody's lowered the State's rating from A2 to Baa1.
July 24	Dow closes above 9000; first time since January. Federal minimum wage jumps from \$6.55 an hour to \$7.25 an hour.
July 28	Case-Shiller index shows first rise in U.S. housing prices for 3 years.
August 24	Cash-for-Clunkers program ends.
August 27	Second quarter GDP fell 1 percent, unchanged from the advance estimate in July and following a 6.4% drop in Q1.
October 14	Dow closes above 10,000 for the first time in a year.
October 29	Third quarter GDP increased at an annual rate of 3.5 percent.
November 6	Jobless benefit extended. Homebuyer tax credit extended and expanded.
December 22	Third quarter GDP annual growth rate is 2.2%, per final estimate.

December 31 Down 25 percent at its March 9, 2009 nadir, the Dow Jones industrial average rose 59 percent, and finished the year up 19 percent. The Nasdaq increased 79 percent and ended 2009 up 44 percent. The S&P 500 rose 65 percent, finishing the year up 23 percent.

---2010---

January 13 S&P lowered California's bond rating to A- from A.

January 28 The Senate confirmed Federal Reserve Chairman Ben Bernanke's second term.

February 18 The Federal Reserve raised the discount rate charged to banks for direct loans by a quarter point to 0.75 percent.

February 26 Fourth quarter GDP increased at an annual rate of 5.9 percent.

February 27 Chile earthquake

March 23 Obama signs landmark health care overhaul bill.

April 2- BP massive oil spill in the Gulf of Mexico.

April 14-20 Ash clouds from an Icelandic volcano shut down airports across Europe.

April 15 Obama signs extension of jobless benefits.

April 30 First quarter GDP increased at an annual rate of 3.2 percent.

May 27 Revised first quarter GDP increased at an annual rate of 3.0 percent.

July 21 The Wall Street Reform and Consumer Protection Act was signed into law by President Obama.

July 22 President Obama signed a six-month extension of emergency jobless benefits for the long-term unemployed.

July 30 Second quarter GDP increased at an annual rate of 2.4 percent. In the first quarter, GDP increased 3.7 percent.

September 16 US poverty rate jumped to 14.3% in 2009, its highest level since 1994, and the 43.6 million Americans in need is the highest number in 51 years of record-keeping, according to the Census Bureau.

September 20 The US recession ended in June 2009, according to the NBER.

Californians' income falls for the first time since WWII.

September 30 Second quarter GDP increased at an annual rate of 1.7 percent. In the first quarter, GDP increased 3.7 percent.

October 15 In 2011, for the second straight year, there will be no inflation-based increase in Social Security benefits.

- November 3 The Federal Reserve announced a second round of quantitative easing through the purchase of \$600 billion in long term Treasury bonds.
- December 17 President Obama signed into law an extension of the existing federal income tax cuts and long-term unemployment benefits. The bill also includes a 2% rollback of Social Security payroll taxes.
- December 22 Third quarter GDP increased at an annual rate of 2.6 percent.
In the second quarter, GDP increased 1.7 percent

---2011---

- January-
February Commodity prices soaring.

 Uprisings in the Middle East.
- February 25 Fourth quarter real GDP increased at an annual rate of 2.8 percent.
In the third quarter, real GDP increased 2.6 percent.
- March 11 Powerful earthquake and tsunami devastate Northern Japan.
- March 19 U.S. joins airstrikes in Libya.
- March 25 Fourth quarter real GDP increased at an annual rate of 3.1 percent.
In the third quarter, real GDP increased 2.6 percent.
- April 27 Tornadoes ravage the South.
- May 1 Osama bin Laden has been killed.
- May 26 First quarter real GDP increased at an annual rate of 1.8 percent.
In the fourth quarter, real GDP increased 3.1 percent.